

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6706

BILL NUMBER: SB 419

NOTE PREPARED: Jan 22, 2015

BILL AMENDED: Jan 22, 2015

SUBJECT: Town Marshals.

FIRST AUTHOR: Sen. Boots

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill provides that, after June 30, 2015, a town law enforcement officer who is not a member of the 1977 Police Officers' and Firefighters' Pension and Disability Fund (1977 Fund) and has successfully completed the minimum basic training requirements for town law enforcement officers becomes a member of the Public Employees' Retirement Fund (PERF).

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Indiana Public Retirement System (INPRS):* INPRS administers both the 1977 Fund and PERF. The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) Towns with marshal departments who have officers who are not currently members of PERF and are not members of the 1977 Fund will be required to enroll those officers in PERF.

There are roughly 1,100 full-time and 400 part-time officers of marshal departments in Indiana. Currently, 136 of those individuals are members of PERF. Therefore, approximately 1,364 town marshals and deputy marshals may be affected by the bill, assuming few marshals are in the 1977 Fund.

Current employer contribution rates for local units for PERF is 11.2% of payroll. LSA used a sample of public local unit employee compensation from 2013 to determine the average salary for town marshals. Specifically, LSA's sample consisted of approximately 430 local employees clearly designated as marshals or deputy marshals in the data. The average salary for that sample was approximately \$26,000, which would equate to a pension cost per employee per year of \$2,900 per year. In total, this may cost local units up to \$4 M in additional costs per year.

The exact cost to each affected town depends upon the combined salaries of all of the marshals and deputy marshals within their jurisdiction.

Marshals and deputy marshals who are enrolled in PERF as a result of this bill will be required to contribute 3% of their salary to PERF, unless the town opts to "pick up" the contribution on behalf of the officer.

Explanation of Local Revenues:

State Agencies Affected: Indiana Public Retirement System.

Local Agencies Affected: Towns with marshal departments.

Information Sources: Tony Green, INPRS, agreen@inprs.in.gov; Janice Hardwick, Indiana Law Enforcement Academy, jbhardwich@ilea.in.gov; Mike Clark, Indiana Marshals Association, president@inmarshal.org; Indiana Gateway for Government Units, 2013 public employee compensation data (<https://gateway.ifionline.org/>).

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